

RECORD VERSION

STATEMENT BY

THE HONORABLE PETE GEREN  
SECRETARY OF THE ARMY

TESTIMONY BEFORE THE

SENATE ARMED SERVICES COMMITTEE  
UNITED STATES SENATE

FIRST SESSION, 110TH CONGRESS

ON THE ARMY'S STRATEGIC IMPERATIVES

NOVEMBER 15, 2007

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
SENATE ARMED SERVICES COMMITTEE

## STATEMENT OF SECRETARY OF THE ARMY PETE GEREN

Chairman Levin, Senator McCain, and distinguished members of the Senate Armed Services Committee, I want to thank you for inviting General Casey and myself to appear before you today to discuss the Army's strategic imperatives.

I'd also like to thank all of you for your unwavering support of our Soldiers and their Families. I know they appreciate your ongoing efforts to provide them not only with the ways and means to achieve the strategic objectives that our Nation demands, but also to improve their quality of life. The Congress has been a partner in creating the remarkable Army we have today; we need the continued support of Congress and this committee to support and sustain it.

Today, I'd like to discuss how our work with the Congress can help the Army execute its critical missions and achieve the four imperatives essential to the success of the Army. Those imperatives are:

- Sustain our Soldiers, Families, and Army Civilians;
- Prepare our Soldiers for success in the current conflict;
- Reset the force expeditiously for future contingencies; and
- Transform the Army to meet the demands of the 21<sup>st</sup> century.

Every issue I discuss with you this morning falls under one of those imperatives. They are crucial to the future of the Army and General Casey and I will work as a team to implement them. But we can't do it alone. We need Congress to be part of that team.

In September, I visited Soldiers and units in Afghanistan, Iraq, Kuwait, and Germany. As you all have seen on your own CODELs, our units and their leaders, and most especially our great Soldiers, continue doing a superb job under the most challenging conditions. Their courage and service are truly inspiring.

We are now into the seventh year of major combat operations in the Global War on Terror, making this the third longest war in American history, after the Revolutionary War and Vietnam. This is also the first

extended conflict since the Revolution to be fought with an All Volunteer Force.

To be sure, our Army is being stretched to meet the demands of the current conflict. The Army has over 150,000 Soldiers in Iraq, Afghanistan, and Kuwait, including approximately 16% Army National Guard and Reserve Soldiers. Since the beginning of combat operations, over 550,000 Soldiers have served in combat zones; over 200,000 have been deployed multiple times. Our All Volunteer Force is a national treasure, but after six years of major combat operations, it is in uncharted waters. We are adapting our policies, programs, and investments to reflect the realities of this era of persistent conflict.

The All Volunteer Force is 34-years-old. Some of you may recall that in its very first decade it struggled with many difficulties including military pay that was inadequate to sustain a force of volunteers. In the early 1980's, Congress increased pay a total of 26 percent and has sustained competitive pay since that time. Today, the strain of multiple deployments on Soldiers requires us likewise to work together to adapt in a way that ensures the health and wellbeing of the All Volunteer Force.

Despite our many challenges, our Soldiers remain the best trained, best led, and best equipped force we have ever put in the field. Our Soldiers count on their Army leadership to provide them the training, equipment, and leadership to take the fight to the enemy. They also count on Army leadership to make sure their Families receive the support they need to stay Army strong.

On the wall in one of the Army conference rooms there is this quote by former Army Chief of Staff General Creighton Abrams: "People are not *in* the Army, they *are* the Army."

The people who "are" the Army extend to more than just the Soldiers. Spouses and children are as much a part of the Army as the Soldiers they love. Everyone in Army leadership recognizes the role of the family in the All Volunteer Force and is committed to improving support

to our Army Families; and I am proud to partner with General Casey in working to improve the quality of life for Soldiers and their Families.

As you know, we are asking a great deal of our Soldiers and Army Families and we cannot expect that these demands will diminish in the foreseeable future. Organizational and institutional changes will continue for years and we must expect and plan for a future typified by persistent conflict and continuing deployments.

In order to sustain our All Volunteer Force, we must do more to provide Soldiers and Families a quality of life equal to the quality of their service. Family support systems – such as health care, housing, childcare, and education – designed for the pre-9/11 peacetime Army must be adapted to sustain an Army at war.

Furthermore, the demographics of today's Army are markedly different from any Army that has fought an extended conflict in our Nation's history. Over half of our Soldiers are married and a majority of Army spouses are employed. Army Families include over 700,000 children – a number greater than the entire population of the capital city where we meet today. These demographics alone pose new challenges.

When a married mother or father deploys, he or she leaves behind a single parent household and all the challenges associated with that family dynamic. Single-parent Soldiers must leave their children in the care of others. With multiple deployments and dwell time filled with training for the next deployment, the stress on the Family increases.

#### **Support for Soldiers and Families**

Recognizing this, General Casey and I have recently signed the Army Family Covenant, which states:

- *We recognize the commitment and increasing sacrifices that our Families are making every day*
- *We recognize the strength of our Soldiers comes from the strength of their Families*
- *We are committed to providing Soldiers and Families a Quality of Life that is commensurate with their service*

- *We are committed to providing our Families a strong, supportive environment where they can thrive*
- *We are committed to building a partnership with Army Families that enhances their strength and resilience*
- *We are committed to improving Family readiness by:*
  - *Standardizing and funding existing Family programs and services*
  - *Increasing accessibility and quality of health care*
  - *Improving Soldier and Family housing*
  - *Ensuring excellence in schools, youth services, and child care*
  - *Expanding education and employment opportunities for Family members*

The covenant is a solemn commitment by our Army to do more for our Soldiers and Families; to provide them a quality of life commensurate with the quality of their service.

When it comes to Soldiers and Families, Congress has been a strong partner in the service of our Army. For example, the Army continues to improve Soldier and Family Housing, bolstered by congressional legislation allowing the Army to leverage its housing assets through private sector participation in military housing – we call it the Residential Community Initiative (RCI).

As of the beginning of this month, the Army had privatized almost 79,000 homes on 36 installations. The total cost to date is estimated at \$10.4 billion of which the Army share is only \$1.3 billion. The quality of the homes and neighborhoods built under the RCI has improved dramatically the quality of life for our Army Families.

Just a few weeks ago, I toured RCI homes and talked with Army Families at Fort Belvoir about this program. An Army spouse I spoke with said she was so pleased with the housing and her community that she didn't really mind too much if her husband had to deploy, as long as she could stay in her house. She and her husband shared a laugh over that comment.

A Sergeant said: “As long as my Family is happy, it makes it easier to go to work.” That kind of peace of mind is one of the reasons why these kinds of programs are so important to our readiness.

Congress deserves a great deal of the credit for this program and I look forward to working together on new initiatives to help Army Families.

Besides the RCI, the Army is on a course to eventually eliminate inadequate family housing, first in CONUS, later OCONUS. Additionally, we also have been expanding housing for unmarried senior NCOs and officers at locations where off-post rentals are not available.

Our facility modernization efforts continue to focus on the long term effort to improve Senior Unaccompanied Personnel Housing and we have delivered 200 new units in recent years at no cost to the Army with plans for another 1,200. In the past five fiscal years, the Army has invested about \$5.5 billion to fix, upgrade, and replace permanent party barracks for 72,400 Soldiers.

The Army is shifting additional resources into family programs for 2008 and beyond. In recent years, the Army has increased by 40 the number of Child Development Centers with plans for 22 more. We also continue to build new fitness facilities, chapels, and youth centers. And we’ve invested \$170 million in 19 new post exchanges.

Last summer, the Army transferred \$100 million into existing Family programs, which had an immediate and positive impact. These funds are being used to hire Family Readiness Support Assistants down to the battalion level, expand the availability and reduce the cost of child care, provide additional respite care for Family members with special needs, and enhance morale and recreational programs across the Army.

Additionally, after many months of work, the Army recently launched the Army Soldier-Family Action Plan (ASFAP). This plan to support Families is based on the input of Families from across our Army – here and around the globe. ASFAP will address issues such as education, access and quality of health care, employment opportunities,

improved housing, and the resourcing of existing Army programs. It will be an important step forward, but it is not the final answer to the needs of Army Families.

We have established a good momentum in improving life for Army families – we need the continued assistance of Congress, now and in the future, to keep that momentum going.

### **Keeping Faith with Wounded Warriors**

As an Army, we pledge never to leave a fallen comrade – that means on the battlefield, in the hospital, in the outpatient clinic, or over a lifetime of dependency if that is what is required. I have witnessed the cost in human terms and to the institution of the Army when we break faith with that sacred pledge, as a handful did at Walter Reed Army Medical Center, and we have worked hard to make that right.

Indeed, the silver lining in the WRAMC breakdown is that it prompted the Army to make dramatic changes in the way we care for our wounded warriors that go far beyond the fixes at WRAMC. Since that time, your Army has moved out aggressively to change what we can on our own.

I am pleased to report that we have made significant progress in the areas of infrastructure, leadership, and processes issues as part of our Army Medical Action Plan. A few examples:

- We've given wounded warriors a new mission that is codified in the Wounded Warrior Mission Statement: "I am a Warrior in Transition. My job is to heal as I transition back to duty or become a productive, responsible citizen in society. This is not a status but a mission. I will succeed in this mission because I am a Warrior."
- We've consolidated Medical Hold and Medical Holdover into single Warrior Transition Units (WTU), organized into military units that are under the command and control of the medical treatment facility commander. The WTU's mission is to focus solely on the care, treatment, and compassionate disposition of its Soldiers.

- We've institutionalized a Triad of Support for every wounded warrior to include a primary care manager, nurse case manager, and squad leader, and we've organized outpatients in a chain of command.
- We've established Soldier and Family Assistance Centers at medical centers across the entire Army. These are one-stop shops where Soldiers and Families can get the information they need regarding entitlements, benefits, and services.
- There is now a Wounded Soldier Family Hotline that provides Warriors in Transition and their Families 24-hour access to information and assistance.
- We've initiated a Post Traumatic Stress Disorder and Traumatic Brain Injury chain teaching program for every Soldier in the Army, to not only educate and assist them in recognizing, preventing, and treating these conditions, but also to help remove the stigma associated with these injuries. Similar training is being provided to Family members.

The problems at Walter Reed also led to a partnership between the Department of Defense and the Department of Veterans Affairs to overhaul our military disability system – the Senior Oversight Committee.

The Senior Oversight Committee goal is as simple to identify as it will be difficult to implement: a seamless transition for our Soldiers from the Department of Defense disability system either back to service in the Army or to a productive life as a veteran. We begin that task not by thinking in terms of how we can improve the current outmoded system, but thinking instead about what kind of system we would build if we could start from scratch.

The SOC has directed:

- DoD and the VA to establish a single, comprehensive, standardized medical exam for all Wounded Warriors;
- the VA to update its rating disabilities schedule to include TBI; and
- the establishment of a TBI/PTSD Center of Excellence supported by a \$900 million appropriation from Congress.

President Lincoln pledged our Nation to care for those who shall have borne the battle, their widows, and now, widowers and orphans. That pledge must be constantly renewed, not with words, but with deeds. I believe that the Department of Defense, the Congress, and the Department of Veterans Affairs have an opportunity that does not come along often – to overhaul the entire military disability system. Let us not squander the opportunity.

### **Force of the Future**

Even without the Global War on Terror, we would be a busy Army, implementing the largest Base Realignment and Closure (BRAC) in history. We are growing the total Army by 74,000 and completing the transformation of the Reserve Component from a strategic reserve to an operational force. We are half-way through the largest organizational change since World War II, converting our combat and enabling formations to modular formations. Our depots are operating at historical levels to reset and recapitalize our battle damaged vehicles and equipment. And we are working to transform and modernize the force.

Our depots are operating at historical levels to reset and recapitalize our battle-damaged vehicles and equipment. We need your continued help with this vital reset effort.

And we must transform and modernize the force that has served us so well. That force relies on the Stryker and what we called the “Big 5” – the Abrams, Bradley, Blackhawk, Apache, and Patriot – to meet the challenges of a very different enemy.

The new enemy that has emerged will not fight us in military formations on classic battlefields. The kind of warfare that dominated during the Cold War years is far different from the kind of warfare we confront now or will confront in the future.

So we in the Army are changing the way we think and fight. We are changing training, organization, and equipment to meet all

contingencies. And we are pursuing a modernization effort that ensures dominance in the full spectrum of land operations.

The purpose of the Army modernization effort is to maintain dominance in land operations – we never want to send our Soldiers into a fair fight. The goal of Army modernization is to know before the enemy does where our forces are and where the enemy is. Knowledge is power, and nowhere is that dictum more applicable than on the battlefield.

The Future Combat System (FCS) will give our Soldiers the knowledge they need to fight and win in any battle space, day or night, whether the battle is conventional or asymmetrical. Indeed, theatre commanders are validating the FCS as they request for field use the operational capabilities and technologies that we are currently developing in FCS.

For example, a few years ago in Afghanistan, one commander watched as his Soldiers heaved grappling hooks into caves to detect booby traps. He knew there had to be a better way. So he asked for robots his Soldiers could send into those caves. Robotic eyes and ears can tell our Soldiers who and what is in that cave, down that alley, or in that darkened building – before they go in.

Through FCS spinouts, Soldiers now have those robots and we are providing other capabilities that are critical to their current missions and force protection – unmanned aerial drones, ground sensors, and communications devices capable of sharing critical intelligence data with troops on a real-time basis.

We are doing all we can to allow our Soldiers to accomplish their mission while mitigating their risk – force protection remains our top priority. Indeed, in the last few years the Army has experienced the greatest change in force protection since World War II.

The Soldier of today looks far different even from the Soldier of six years ago. Consider, in 2001 it cost the Army \$11,000 to outfit a Soldier; now it costs \$17,000.

The Army is rapidly fielding the best new equipment to our forces. To date we have fielded:

- over one million sets of body armor to all Soldiers and DoD civilians;
- over 21,000 up armored HMMWVs and over 50,000 frag kits;
- theater requirement for 970 Armored Security Vehicles; and
- over 47,000 IED defeat systems.

Integrated force protection strategy also includes Mine Resistant Ambush Protected (MRAP) vehicles, which Congress has done so much to support. To update you, the JROC has approved the Army's request for 10,000 MRAPs and production is now underway at several facilities. By the end of April 2008, we project that we will have fielded almost 4,100 MRAPs

Force protection will continue to be the highest priority and key challenges remain. The enemy continues to evolve and we must try to stay a step ahead.

As you can see, the Army has a full plate. To meet these obligations smoothly and efficiently, timely, predictable funding is essential.

Make no mistake – timely funding is not about the war in Iraq; it is about taking care of Soldiers and their Families and defending this country.

Training and maintenance – and ultimately readiness – are perishable. Without stable and timely funding for these activities, skills diminish and equipment and facilities degrade.

I cannot stress enough how critical it is that Congress pass essential funding legislation in a timely manner. Our Soldiers depend upon your legislation.

Additionally, in a few short months, you will see the FY09 President's Budget and GWOT supplemental funding request arrive on the

Hill. You will see that the Army's part of that submission will fully support the four imperatives in our strategic direction: sustain, prepare, reset, and transform. We look forward for your continued support in fulfilling these imperatives.

### **Contracting Issues**

On September 12<sup>th</sup>, I commissioned Dr. Jacques Gansler to provide a comprehensive review of the Army's acquisition system. The Commission was given a broad charter to examine current operations as well as to ensure future contracting operations are more effective, efficient and transparent. Based on his extensive experience within DoD and specifically as a former Undersecretary of Defense for Acquisition, Technology and Logistics, I was confident that Dr. Gansler would provide an uncompromising, big-picture review that the Army needed. On November 1<sup>st</sup>, I accepted the report from the "Commission on Army Acquisition and Program Management in Expeditionary Operations" chaired by Dr. Gansler.

My decision to charter the Gansler Commission followed investigations and audits which cited contractors and government contracting officials for corrupt activity related to contingency contracting operations. The investigations continue. As of November 6<sup>th</sup>, the U.S. Army Criminal Investigation Command is conducting 80 investigations relating to contract fraud in Iraq, Kuwait, and Afghanistan. While the cases vary in severity and complexity, most involve bribery. There are confirmed bribes in excess of \$15 million. Twenty-three U.S. citizens, to include 18 government employees, both military and civilian, have been charged or indicted in federal court. Contracts valued at more than \$6 billion are affected. As a result of initial indications of this corruption within theater, the Army reorganized its contracting office in Kuwait, replaced its leaders, increased the size of the staff and provided more ethics training.

Dr. Gansler's report offered a very blunt and comprehensive assessment that I asked for and that the Army needed, and he also

outlined a plan for the way ahead after citing structural weaknesses and organizational shortcomings in the U.S. Army's acquisition and contracting system used to support expeditionary operations. The commission outlined four areas as critical to future success:

- (1) increased stature, quantity and career development for contracting personnel both military and civilian, particularly for expeditionary operations;
- (2) restructure of the organization and responsibility to facilitate contracting and contract management;
- (3) training and tools for overall contracting activities in expeditionary operations; and
- (4) obtaining legislative, regulatory, and policy assistance to enable contracting effectiveness – important in expeditionary operations.

The Gansler report traced many of the difficulties to post-Cold War cuts in the Army acquisition budget, which led to an undersized acquisition workforce in the face of an expanding workload. This workforce has not been properly sized, trained, structured, or empowered to meet the needs of our warfighters, in major expeditionary operations. In fact, currently with operations in Iraq and Afghanistan, the Army administered over 25% of all Federal contracts in FY07, valued in excess of \$111 billion. We also need to do a better job in training our commanders on their responsibilities for requirements definition and contractor performance.

Complementing the Gansler Commission's strategic review, I also formed an internal Army task force to review current contracting operations and take immediate action where appropriate. The Army Contracting Task Force, co-chaired by Lieutenant General N. Ross Thompson, Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology; and Ms. Kathryn Condon, Executive Deputy to the commanding general of the U.S. Army Materiel Command, has already made recommendations and is implementing improvements.

Expeditionary military Operations in Iraq and Afghanistan have placed extraordinary demands on the contracting system and our contracting support personnel. The U.S. Army has never fought an extended conflict that required such reliance on contractor support. Approximately half of the personnel currently deployed in Iraq are contractor employees, who provide food services, interpreters, communications, equipment repair and other important services. Contracting and procurement must be an Army core competency.

While the overwhelming majority of our contracting workforce, civilian and military, is doing an outstanding job under challenging circumstances, we must do a better job of organizing, resourcing, and supporting them in their critical work. We will take the steps necessary to ensure that we execute our responsibility effectively, efficiently and fully consistent with Army values.

### **Conclusion**

To paraphrase General Abrams, Soldiers and their Families *are* the All Volunteer Force. And we cannot have a healthy All Volunteer Force without healthy Army Families.

In today's Army, you recruit the Soldier, you retain the Family. Working with General Casey, I am confident we will do both and we will do both well.

I look forward to the dialogue with you today. We seek your continued strong support that will enable the Army to execute its many missions and help us to achieve the four imperatives set out by the Chief of Staff General George Casey. With your continued assistance to our Soldiers and their families, we will remain the pre-eminent land power and we will remain Army Strong!

Again, thank you for allowing me to testify. I look forward to your questions.

# # #